

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U 338-E) for Authority to, Among Other Things, Increase Its Authorized Revenues for Gas Service for Santa Catalina Island in 2005, and to Reflect that Increase in Rates.

Application 04-01-031  
(Filed January 23, 2004)

**SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER**

Following an informal prehearing telephone conference on April 9, 2004,  
**IT IS RULED** that:

**1. Summary**

Southern California Edison Company (Edison) proposes a rate increase for its gas service in Santa Catalina Island. The Office of Ratepayer Advocates (ORA) has protested the application. This ruling sets forth the procedural schedule, addresses the scope of the proceeding and designates the principal hearing officer pursuant to Pub. Util. Code § 1701.3(a) and Rule 6.3 of the Rules of Practice and Procedure.

**2. Scope of the Proceeding**

The issues to be addressed in this proceeding are as follows:

- Has Edison justified its estimates that Catalina gas sales will decrease by 2.7% between base year 2002 and the test year?
- Instead of litigating sales figures, can the Commission approve a balancing account procedure to correct for unanticipated increases or decreases in sales?
- Has Edison justified its estimated production costs?

- Has Edison justified a 142% increase in its test year operating and maintenance expenses?
- Has Edison shown the necessity of a 97% increase in capital additions, particularly the proposed LNG vaporization project that accounts for 90% of the increase?
- Has Edison shown that its request for attrition increases in the years 2006, 2007 and 2008 is reasonable and appropriate?
- Has Edison shown that a proposed phase-in of rate increases over a four-year period, including interest on the deferred amounts, is reasonable and appropriate?
- Has Edison justified its proposal to put Santa Catalina gas rate cases on a regular three-year cycle?

### **3. Schedule**

A hearing is necessary. The parties have agreed on the following schedule:

January 23, 2004 .....	Edison serves its written testimony
May 10, 2004 .....	ORA serves its written testimony
May 10 – June 1, 2004 .....	Settlement discussions between the parties
June 1, 2004 .....	All parties serve their written rebuttal testimony
June 7, 2004 .....	Public Participation Hearings at 4 p.m. and 7 p.m. in the CIRS Golf Course Conference Room, 1 Country Club Road, Avalon, CA 90704
June 8 – 11, 2004 .....	Evidentiary Hearing, beginning at 10 a.m. daily in the CIRS Golf Course Conference Room, 1 Country Club Road, Avalon, CA 90704
July 2, 2004 .....	Edison and ORA file Joint Comparison Exhibit
July 19, 2004 .....	Parties file and serve concurrent opening briefs
August 2, 2004 .....	Parties file and serve concurrent reply briefs. Projected submission date

Resolution of this case is anticipated by November 2004.

If the parties propose a settlement agreement covering all or part of the disputed issues of fact, the proposed settlement will be reviewed as part of the evidentiary hearing June 8 through 11, 2004.

Edison is directed to provide notice of the Public Participation Hearings and Evidentiary Hearings, coordinating its statement of notice with the Commission Public Advisor's Office in Los Angeles.

**4. Category of Proceeding; Principal Hearing Officer**

This application is ratesetting, as defined in Rule 5(c). ALJ Walker is designated as the principal hearing officer.

Dated April 21, 2004, at San Francisco, California.

/s/ LORETTA M. LYNCH  
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LORETTA M. LYNCH  
Assigned Commissioner

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated April 21, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.